

Registre de Commerce et des Sociétés

Numéro RCS : B182009

Référence de dépôt : L170018732

Déposé et enregistré le 31/01/2017

RCSL Nr. : B182009

Matricule : 2013 2453 579

BALANCE SHEET

Financial year from ⁰¹ 25/11/2013 to ⁰² 31/12/2014 (in ⁰³ EUR)

Valeant International Luxembourg S.à r.l.

9, Allée Scheffer
L-2520 Luxembourg

ASSETS

	Reference(s)	Current year	Previous year
A. Subscribed capital unpaid	1101 _____	101 _____	102 _____
I. Subscribed capital not called	1103 _____	103 _____	104 _____
II. Subscribed capital called but unpaid	1105 _____	105 _____	106 _____
B. Formation expenses	1107 _____	107 _____	108 _____
C. Fixed assets	1109 _____	109 13.094.008.736,00	110 _____
I. Intangible fixed assets	1111 _____	111 _____	112 _____
1. Research and development costs	1113 _____	113 _____	114 _____
2. Concessions, patents, licences, trade marks and similar rights and assets, if they were	1115 _____	115 _____	116 _____
a) acquired for valuable consideration and need not be shown under C.I.3	1117 _____	117 _____	118 _____
b) created by the undertaking itself	1119 _____	119 _____	120 _____
3. Goodwill, to the extent that it was acquired for valuable consideration	1121 _____	121 _____	122 _____
4. Payments on account and intangible fixed assets under development	1123 _____	123 _____	124 _____
II. Tangible fixed assets	1125 _____	125 _____	126 _____
1. Land and buildings	1127 _____	127 _____	128 _____
2. Plant and machinery	1129 _____	129 _____	130 _____

RCSL Nr. : B182009

Matricule : 2013 2453 579

	Reference(s)		Current year		Previous year
3. Other fixtures and fittings, tools and equipment	1131		131		132
4. Payments on account and tangible fixed assets under development	1133		133		134
III. Financial fixed assets	1135		135	13.094.008.736,00	136
1. Shares in affiliated undertakings	1137		137	13.094.008.736,00	138
2. Amounts owed by affiliated undertakings	1139		139		140
3. Shares in undertakings with which the company is linked by virtue of participating interests	1141		141		142
4. Amounts owed by undertakings with which the company is linked by virtue of participating interests	1143		143		144
5. Securities held as fixed assets	1145		145		146
6. Loans and claims held as fixed assets	1147		147		148
7. Own shares or own corporate units	1149		149		150
D. Current assets	1151		151	10.135,00	152
I. Inventories	1153		153		154
1. Raw materials and consumables	1155		155		156
2. Work and contracts in progress	1157		157		158
3. Finished goods and merchandise	1159		159		160
4. Payments on account	1161		161		162
II. Debtors	1163		163		164
1. Trade receivables	1165		165		166
a) becoming due and payable within one year	1167		167		168
b) becoming due and payable after more than one year	1169		169		170
2. Amounts owed by affiliated undertakings	1171		171		172
a) becoming due and payable within one year	1173		173		174
b) becoming due and payable after more than one year	1175		175		176
3. Amounts owed by undertakings with which the company is linked by virtue of participating interests	1177		177		178
a) becoming due and payable within one year	1179		179		180
b) becoming due and payable after more than one year	1181		181		182
4. Other receivables	1183		183		184
a) becoming due and payable within one year	1185		185		186

The notes in the annex form an integral part of the annual accounts

RCSL Nr. : B182009

Matricule : 2013 2453 579

	Reference(s)	Current year	Previous year
b) becoming due and payable after more than one year	1187 _____	187 _____	188 _____
III. Transferable securities	1189 _____	189 _____	190 _____
1. Shares in affiliated undertakings and in undertakings with which the company is linked by virtue of participating interests	1191 _____	191 _____	192 _____
2. Own shares or own corporate units	1193 _____	193 _____	194 _____
3. Other transferable securities	1195 _____	195 _____	196 _____
IV. Cash at bank, cash in postal cheque accounts, cheques and cash in hand	1197 _____	197 <u>10.135,00</u>	198 _____
E. Prepayments	1199 _____	199 _____	200 _____
TOTAL (ASSETS)		201 <u>13.094.018.871,00</u>	202 <u>0,00</u>

RCSL Nr. : B182009

Matricule : 2013 2453 579

LIABILITIES

	Reference(s)	Current year	Previous year
A. Capital and reserves			
	1301 _____	301 <u>13.094.010.249,00</u>	302 _____
I. Subscribed capital	1303 _____	303 <u>1.162.358.864,00</u>	304 _____
II. Share premium and similar premiums	1305 _____	305 <u>11.964.799.580,00</u>	306 _____
III. Revaluation reserves	1307 _____	307 _____	308 _____
IV. Reserves	1309 _____	309 <u>-33.137.208,00</u>	310 _____
1. Legal reserve	1311 _____	311 _____	312 _____
2. Reserve for own shares or own corporate units	1313 _____	313 _____	314 _____
3. Reserves provided for by the articles of association	1315 _____	315 _____	316 _____
4. Other reserves	1317 _____	317 <u>-33.137.208,00</u>	318 _____
V. Profit or loss brought forward	1319 _____	319 _____	320 _____
VI. Profit or loss for the financial year	1321 _____	321 <u>1.677.043.467,00</u>	322 _____
VII. Interim dividends	1323 _____	323 <u>-1.677.054.454,00</u>	324 _____
VIII. Capital investment subsidies	1325 _____	325 _____	326 _____
IX. Temporarily not taxable capital gains	1327 _____	327 _____	328 _____
B. Subordinated debts	1329 _____	329 _____	330 _____
C. Provisions	1331 _____	331 _____	332 _____
1. Provisions for pensions and similar obligations	1333 _____	333 _____	334 _____
2. Provisions for taxation	1335 _____	335 _____	336 _____
3. Other provisions	1337 _____	337 _____	338 _____
D. Non subordinated debts	1339 _____	339 <u>8.622,00</u>	340 _____
1. Debenture loans	1341 _____	341 _____	342 _____
a) Convertible loans	1343 _____	343 _____	344 _____
i) becoming due and payable within one year	1345 _____	345 _____	346 _____
ii) becoming due and payable after more than one year	1347 _____	347 _____	348 _____
b) Non convertible loans	1349 _____	349 _____	350 _____
i) becoming due and payable within one year	1351 _____	351 _____	352 _____
ii) becoming due and payable after more than one year	1353 _____	353 _____	354 _____
2. Amounts owed to credit institutions	1355 _____	355 _____	356 _____
a) becoming due and payable within one year	1357 _____	357 _____	358 _____
b) becoming due and payable after more than one year	1359 _____	359 _____	360 _____

The notes in the annex form an integral part of the annual accounts

RCSL Nr. : B182009

Matricule : 2013 2453 579

	Reference(s)	Current year	Previous year
3. Payments received on account of orders as far as they are not deducted distinctly from inventories	1361 _____	361 _____	362 _____
a) becoming due and payable within one year	1363 _____	363 _____	364 _____
b) becoming due and payable after more than one year	1365 _____	365 _____	366 _____
4. Trade creditors	1367 _____	367 _____	368 _____
a) becoming due and payable within one year	1369 _____	369 _____	370 _____
b) becoming due and payable after more than one year	1371 _____	371 _____	372 _____
5. Bills of exchange payable	1373 _____	373 _____	374 _____
a) becoming due and payable within one year	1375 _____	375 _____	376 _____
b) becoming due and payable after more than one year	1377 _____	377 _____	378 _____
6. Amounts owed to affiliated undertakings	1379 _____	379 <u>3.004,00</u>	380 _____
a) becoming due and payable within one year	1381 _____	381 <u>3.004,00</u>	382 _____
b) becoming due and payable after more than one year	1383 _____	383 _____	384 _____
7. Amounts owed to undertakings with which the company is linked by virtue of participating interests	1385 _____	385 _____	386 _____
a) becoming due and payable within one year	1387 _____	387 _____	388 _____
b) becoming due and payable after more than one year	1389 _____	389 _____	390 _____
8. Tax and social security debts	1391 _____	391 <u>5.618,00</u>	392 _____
a) Tax debts	1393 _____	393 <u>5.618,00</u>	394 _____
b) Social security debts	1395 _____	395 _____	396 _____
9. Other creditors	1397 _____	397 _____	398 _____
a) becoming due and payable within one year	1399 _____	399 _____	400 _____
b) becoming due and payable after more than one year	1401 _____	401 _____	402 _____
E. Deferred income	1403 _____	403 _____	404 _____
TOTAL (LIABILITIES)		405 <u>13.094.018.871,00</u>	406 <u>0,00</u>

Registre de Commerce et des Sociétés

Numéro RCS : B182009

Référence de dépôt : L170018732

Déposé le 31/01/2017

RCSL Nr. : B182009

Matricule : 2013 2453 579

PROFIT AND LOSS ACCOUNT

Financial year from ⁰¹ 25/11/2013 to ⁰² 31/12/2014 (in ⁰³ EUR)

Valeant International Luxembourg S.à r.l.

9, Allée Scheffer
L-2520 Luxembourg

A. CHARGES

	Reference(s)	Current year	Previous year
1. Use of merchandise, raw materials and consumable materials	1601 _____	601 _____	602 _____
2. Other external charges	1603 _____	603 <u>1.334,00</u>	604 _____
3. Staff costs	1605 _____	605 _____	606 _____
a) Salaries and wages	1607 _____	607 _____	608 _____
b) Social security on salaries and wages	1609 _____	609 _____	610 _____
c) Supplementary pension costs	1611 _____	611 _____	612 _____
d) Other social costs	1613 _____	613 _____	614 _____
4. Value adjustments	1615 _____	615 _____	616 _____
a) on formation expenses and on tangible and intangible fixed assets	1617 _____	617 _____	618 _____
b) on current assets	1619 _____	619 _____	620 _____
5. Other operating charges	1621 _____	621 <u>3.233,00</u>	622 _____
6. Value adjustments and fair value adjustments on financial fixed assets	1623 _____	623 _____	624 _____
7. Value adjustments and fair value adjustments on financial current assets. Loss on disposal of transferable securities	1625 _____	625 _____	626 _____
8. Interest and other financial charges	1627 _____	627 _____	628 _____
a) concerning affiliated undertakings	1629 _____	629 _____	630 _____
b) other interest and similar financial charges	1631 _____	631 _____	632 _____
9. Extraordinary charges	1633 _____	633 _____	634 _____

The notes in the annex form an integral part of the annual accounts

RCSL Nr. : B182009	Matricule : 2013 2453 579
--------------------	---------------------------

	Reference(s)	Current year	Previous year
10. Income tax	1635 _____	635 <u>6.420,00</u>	636 _____
11. Other taxes not included in the previous caption	1637 _____	637 _____	638 _____
12. Profit for the financial year	1639 _____	639 <u>1.677.043.467,00</u>	640 _____
TOTAL CHARGES		641 <u>1.677.054.454,00</u>	642 <u>0,00</u>

RCSL Nr. : B182009

Matricule : 2013 2453 579

B. INCOME

	Reference(s)	Current year	Previous year
1. Net turnover	1701 _____	701 _____	702 _____
2. Change in inventories of finished goods and of work and contracts in progress	1703 _____	703 _____	704 _____
3. Fixed assets under development	1705 _____	705 _____	706 _____
4. Reversal of value adjustments	1707 _____	707 _____	708 _____
a) on formation expenses and on tangible and intangible fixed assets	1709 _____	709 _____	710 _____
b) on current assets	1711 _____	711 _____	712 _____
5. Other operating income	1713 _____	713 _____	714 _____
6. Income from financial fixed assets	1715 _____	715 <u>1.677.054.454,00</u>	716 _____
a) derived from affiliated undertakings	1717 _____	717 <u>1.677.054.454,00</u>	718 _____
b) other income from participating interests	1719 _____	719 _____	720 _____
7. Income from financial current assets	1721 _____	721 _____	722 _____
a) derived from affiliated undertakings	1723 _____	723 _____	724 _____
b) other income from financial current assets	1725 _____	725 _____	726 _____
8. Other interest and other financial income	1727 _____	727 _____	728 _____
a) derived from affiliated undertakings	1729 _____	729 _____	730 _____
b) other interest and similar financial income	1731 _____	731 _____	732 _____
9. Extraordinary income	1733 _____	733 _____	734 _____
12. Loss for the financial year	1735 _____	735 <u>0,00</u>	736 _____
TOTAL INCOME		737 <u>1.677.054.454,00</u>	738 <u>0,00</u>

Valeant International Luxembourg S.à r.l.**Société à responsabilité limitée****Notes to the annual accounts for the year ended December 31, 2014****1 General information**

Valeant International Luxembourg S.à r.l. (the “Company”) is a Luxembourg company incorporated on November 25, 2013 and organized under the laws of Luxembourg as a private limited liability company for an unlimited period. The registered office of the Company is established in 6, rue Eugène Ruppert, L-2453 Luxembourg.

The main activity of the Company is the holding of participations, in any form whatsoever, in Luxembourg and foreign companies, and any other form of investment, the acquisition by purchase, subscription or in any other manner as well as the transfer by sale, exchange or otherwise of securities of any kind, and the administration, control and development of its portfolio.

The Company may further guarantee, grant loans or otherwise assist the companies in which it holds a direct or indirect participation or which form part of the same group of companies as the company.

The Company is authorized to acquire and dispose of all kind of intellectual property and the rights derived from, including, but not limited to trademarks, patents, copyrights, customers lists, goodwill and commercial names and to grant licenses with respect to such intellectual property.

The Company may carry out any commercial, industrial or financial activities which may deem useful in accomplishment of its purpose.

The Company's financial year starts on January 1st and ends on December 31st of each year.

The first financial year runs from November 25, 2013 (date of incorporation) to December 31st, 2014.

The Company is included in the consolidated accounts of Valeant Pharmaceuticals International, Inc. a British Columbia Corporation which has its principal offices at 2150 St. Elzéar Blvd. West Laval, Québec H7L 4A8 Canada.

2 Summary of significant accounting policies**2.1 Basis of preparation**

The annual accounts are prepared in accordance with Luxembourg current legal and regulatory requirements. They have been prepared in accordance with the valuation rules and accounting policies described below.

2.2 Significant accounting policies

The main valuation rules applied by the company are the following:

2.2.1 Financial Fixed Assets

Shares in affiliated undertakings, participating interests and securities held as fixed assets are valued at purchase price including the expenses incidental thereto. In case of a durable depreciation in value according to the opinion of the Board of the Managers, value adjustments are made in respect of fixed assets, so that they are valued at the lower figure to be attributed to them at the balance sheet date. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

Loans shown under 'Financial assets' are recorded at their nominal value. A value adjustment is recorded where the recovery value is lower than the nominal value.

2.2.2 Debtors

Debtors are valued at their nominal value. They are subject to value adjustments where their recovery is compromised. These value adjustments are not continued if the reasons for which the value adjustments are not continued were made have ceased to apply.

Valeant International Luxembourg S.à r.l.
Société à responsabilité limitée

Notes to the annual accounts for the year ended December 31, 2014 (cont.)

2 Summary of significant accounting policies (cont.)

2.2 Significant accounting policies (cont.)

2.2.3 Provisions for liabilities and charges

Provisions for liabilities and charges are intended to cover losses or debts the nature of which is clearly defined and which, at the date of the balance sheet are either likely to be incurred or certain to be incurred but uncertain as to their amount or as to the date on which they will arise.

2.2.4 Prepayments and accrued income

This asset item includes expenditure incurred during the financial year but relating to a subsequent financial year and income accruing to the current financial year but not yet received.

2.2.5 Accruals and deferred income

This liability item includes expenses accruing for the current financial year but not yet paid and income received during the financial year but relating to a subsequent financial year.

2.2.6 Currency Translation

The Company presents its financial statements in euro ("EUR") and the balance sheet and the profit and loss account are expressed in this currency.

Transactions expressed in currencies other than the currency of the annual accounts are translated into EUR at the exchange rate effective at the time of the transaction.

At the balance sheet date :

Formation expenses, intangible, tangible and financial assets denominated in currencies other than the currency of the annual accounts are translated at historic exchange rates.

Other assets and other liabilities (except specific cases) are translated separately at the value determined on the basis of the exchange rates effective at the balance sheet date. The unrealised exchange losses, realized exchange losses and gains are recorded in the profit and loss account.

Cash at bank, cheques and cash in hand are translated at the exchange rate effective at the balance sheet date. Exchange losses and gains are recorded in the profit and loss account of the year.

Valeant International Luxembourg S.à r.l.
Société à responsabilité limitée

Notes to the annual accounts for the year ended December 31, 2014 (cont.)

3 Financial fixed assets

3.1 Shares in affiliated undertakings

The movements of the year are as follows:

Name	Acquisition cost at the beginning of the year	Additions / (-) disposals for the year	Acquisition cost at the end of the year	Value adjustment at the beginning of the year	Reversals / (-) value adjustment for the year	Value adjustment at the end of the year	Net book value at the end of the year
	EUR	EUR	EUR	EUR	EUR	EUR	EUR
Bausch & Lomb BV Koolhovenlaan 110, 1119 NH Schiphol-Rijk (Netherlands)	-	1,503,995,644	1,503,995,644	-	-	-	1,503,995,644
Valeant Holdings Ireland Bradwell Limited 3013 Lake Drive, Citywest Business Campus Dublin 24 (Ireland)	-	11,590,013,092	11,590,013,092	-	-	-	11,590,013,092
At the end of the year	-	13,094,008,736	13,094,008,736	-	-	-	13,094,008,736

As at December 31, 2014, the Company held the following stakes :

- i. 1,228 shares of Bausch & Lomb BV
- ii. 3,378,370 ordinary shares and 5,800,000 preferred shares of Valeant Holdings Ireland

AS of December 31, 2014 undertakings in which the company holds at least 20% share capital are as follows:

Name	Registered office	Ownership %	Last balance sheet date	Net equity at the balance sheet date (EUR)	Profit or loss for the last financial year
Bausch & Lomb BV	Netherlands	55.09	31.12.2014	2,171,757,000	50,073,000
Valeant Holdings Ireland	Ireland	65.59	31.12.2014	20,930,198,078	42,043,359

4 Capital and Reserves

4.1 Subscribed Capital

The Company has been incorporated on November 25, 2013 with a share capital amounting to EUR 12,500 divided into 12,500 shares with a nominal value of EUR 1 each.

On December 20, 2013, the Company increased its share capital by an amount of EUR 11 together with a share premium of EUR 1,503,682,408.

On December 31, 2013, the Company increased its share capital by an amount of EUR 1,162,346,353 together with a share premium of EUR 10,461,117,172.

As of December 31, 2014, the subscribed capital amounts to EUR 1,162,358,864 and is divided into 1,162,358,864 corporate units fully paid-up with a nominal value of EUR 1 each.

	Subscribed capital EUR	Share Premium EUR	Revaluation reserves EUR
Balance on November 25, 2013	-	-	-
Movements for the year			
- Capital contribution	1,162,358,864	11,964,799,580	(33,137,208)
Total	1,162,358,864	11,964,799,580	(33,137,208)

Valeant International Luxembourg S.à r.l.
Société à responsabilité limitée

Notes to the annual accounts for the year ended December 31, 2014 (cont.)

4 Capital and Reserves (cont.)

4.1 Subscribed Capital (cont.)

During the financial year 2014 and following to the adjustment of the market value of the shares contributed by the sole shareholder back in December 2013, the negative amount of EUR 33,137,208 has been recorded in the revaluation reserve of the Company.

4.2 Legal reserve

Under Luxembourg law, the Company is required to transfer to a legal reserve a minimum of 5 % of its net profits each year until this reserve equals 10 % of the issued share capital of EUR 1,162,358,864. This reserve is not available for dividend distribution.

4.3 Movements for the year

	Legal Reserve	Result for the year	Interim Dividend	Total
	EUR	EUR	EUR	EUR
Balance on November 25, 2013	-	-	-	-
Movements for the year				
Results for the year	-	1,677,043,467	-	1,677,043,467
Dividend distribution	-	-	(1,677,054,454)	(1,677,054,454)
Total	-	(1,677,043,467)	(1,677,054,454)	(10,987)

On December 19, 2014, the Company decided to distribute dividends amounting to EUR 1,677,054,454 to its sole shareholder.

5 Income Tax

For the year ended December 31, 2014, amounts expensed through income tax comprise the following:

	2014
	EUR
Corporate income tax 2013	3,210
Corporate income tax 2014	3,210
Total	6,420

6 Income from financial fixed assets

For the year ended December 31, 2014, amounts of income from financial fixed assets comprise the following:

	2014
	EUR
Dividend income from Valeant Holdings Ireland	1,677,054,454
	1,677,054,454

Valeant International Luxembourg S.à r.l.
Société à responsabilité limitée

Notes to the annual accounts for the year ended December 31, 2014 (cont.)

7 Pledges

The sole shareholder company, Valeant Pharmaceuticals International, Inc, ("Valeant") has entered into certain Third Amendment and Restated Credit and Guaranty Agreement and amended from time to time by successive amendments between 2012 and 2015 (The "Credit Agreement"), the last amendments being Amendment No. 11 dated May 29, 2015 by and among (i) Valeant, the Company and certain subsidiaries of Valeant, as guarantors, (ii) a pool of lenders and Barclays Bank PLC (as successor to GSLP as per an amended and restated agreement dated January 15, 2015), as Administrative and Collateral Agent ("Amendment No. 11"). Under the terms of Amendment No. 11, the Series D-2 Tranche B Term Loan Facility was repriced.

As a result of the Credit Agreement, all the shares owned in the Company and by the Company from time to time and any related assets are pledged in favor of Barclays .

8 Subsequent events

On March 17, 2015, the Company incorporated the company Valeant Finance Luxembourg S.à r.l. with a share capital of EUR 12,500 which have been pledged in favour of Barclays.

On March 31, 2015, the Company subscribed to the capital increase of Valeant Finance Luxembourg S.à r.l. for an amount of EUR 2,190,029 which have been pledged in favour of Barclays.

On September 15, 2015, Valeant contributed (to the Company) several interest free convertible loans granted to Valeant Finance Luxembourg S.à r.l. . The loans amount to USD 13,333,034,806.81, and the contribution will be made in exchange of the EUR equivalent of shares and share premium of the Company. On the same date, the Company contributed all the shares owned in Valeant Finance Luxembourg S.à r.l. and all the related loans to Valeant Holdings Ireland in exchange of capital increase and share premium issuance.

The Board Managers of the Company acknowledges that it is the intention of the shareholders to reduce the share premium by EUR 33,137,208 which reflects the adjustment of the market value of the shares contributed by the sole shareholder in order to cancel the valuation reserve account on or about September 24, 2015 .

Valeant International Luxembourg S.à.r.l.

Société à responsabilité limitée

Siège social: 9, rue Allée Scheffer

Registre de Commerce et des Sociétés de Luxembourg B numéro 182.009

Constituée en date du 25 novembre 2013, par acte notarié passé par devant Maître Henri BECK, de résidence à Echternach, Grand-Duché de Luxembourg, publié au Mémorial C, Recueil des Sociétés et Associations numéro 13 du 2 janvier 2014.

Les statuts de la Société ont été modifiés en date du 30 décembre par acte notarié passé par devant Maître Henri Hellinckx, de résidence à Luxembourg, Grand-Duché de Luxembourg, publié au Mémorial C, Recueil des Sociétés et Associations numéro 951 du 31 Mars 2016.

AFFECTATION DU RESULTAT AU 31 DECEMBER 2014

Résultats reportés	EUR	0.00
Résultat de l'exercice :	EUR	1,677,054,454.00
Ratification dividende intérimaire	EUR	1,677,054,454.00
Résultat à reporter :	EUR	0.00

COMPOSITION DU CONSEIL DE GÉRANCE

- Marcin Jedrzejuk, gérant de catégorie A;
- Michael Kennan, gérant de catégorie A;
- Daniela Italia, gérant de catégorie B; et
- Franck Deconinck, gérant de catégorie B;
- .

Luxembourg le 31 janvier 2017